**Revising the conditions of TUFS**

1691. SHRI RAMA MUNI REDDY SIRIGIRDDY: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the Ministry is proposing to revise conditions of the Technology Upgradation Funds Scheme;

(b) if so, the proposed revision in the existing conditions;

(c) whether it is a fact that South Indian Mills Association (SIMA) is vehemently opposing the move to revise the conditions of TUF Scheme; and

(d) if so, the reaction of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) The Technology Upgradation Fund Scheme (TUFS) is a dynamic Scheme in which amendments are made on a continuous basis in order to making it industry friendly. So far about 250 amendments have been made in its technology/ financial norms of which significant ones are given in statement (*See* below).

(c) and (d) As per the existing provisions, investment in spinning units is eligible for TUFS benefits provided there are certain prescribed investments in downstream capacity. SIMA Coimbatore has opposed the requests to permit installation of fresh spinning capacity in existing spinning mills without the condition of installation of down stream capacity to the extent of 100% or 50% of expanded capacity in the case of units having spinning capacity between 12,000 and 25,000 spindles for TUFS benefits. No final decision has been taken in this regard.

***Statement***

*Significant amendments made under TUFS since inception of the scheme.*

* Loans, which have been sanctioned prior to 1.4.99 but not disbursed, are considered under TUFS, if otherwise project meet the parameters of TUFS.

* In case of part disbursement of loans before 1.4.99, disbursement after 1.4.99 are considered under TUFS.

* Stand alone spinning are eligible under the scheme subject to creation of downstream value addition capacity.
* Import of following 2nd hand machinery permitted under TUFS:
  * Machinery (jute industry) with a minimum residual life of 10 years subject to a maximum expired life (vintage) of 10 years.
  * Air Jet, Water Jet, Projectile and Rapier looms with 10 years vintage and with a residual life of minimum 10 years.
  * Worsted sector machinery with 10 years' vintage and with a residual life of minimum 10 years.
  * Computerised flat bed knitting machine with 5 years vintage and with a residual life of minimum 10 years.
* Semi-automatic looms for replacement and expansion under TUFS for the decentralised powerlooms sector.
* The sewing thread manufacturing as an eligible downstream value addition activity for spinning capacity creation.
* The investment made in TUFS compatible projects after 1.4.99 funded by other sources (other than bank loan) covered under TUFS subject to certain conditions.
* An option of 12% Credit Linked Capital Subsidy provided to SSI textile units.
* New units set up for manufacturer of compact yarn have been exempt from the stipulations of MES and downstrem value addition norms.
* Relaxation in norms for cash profit, promoter's margin, debt equity ratio and revaluation of assets in respect of weak but potentially viable sick mills.
* Waiver of minimum stipulated width of 165 cms in respect of semi-automatic/automatic looms for decentralized powerloom sector.
* Fibre dyed yarn as an eligible downstream value addition process for expansion of spinning capacity.

* Government has approved the enlargment of TUFS by offering to small scale powerloom units an additional option of credit-linked incentive of 20% of the cost of modern weaving machinery admissible under the scheme, upto a cost of Rs. 60 lakhs, with the facility to obtain credit from a credit network that includes all co-operative banks and other genuine non-banking financial companies (NBFC) recognized by the Reserve Bank of India.

**Measures to promote sericulture**

1692. MS. PRAMILA BOHIDAR: Will the Minister of TEXTILES be pleased to state:

(a) whether the Silk Industry is bracing up to compete with China;

(b) if so, the measures evolved to achieve the objective;

(c) whether Centre is running any project in sericulture farmings in Orissa to popularize rearing of silk worms, as is the position in Karnataka, Andhra Pradesh and Tamil Nadu; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. The main programmes being undertaken by the Government under the X Plan for sericulture development in the country included:

(i) Research and Technological efforts of Central Silk Board for improving the qualitative and quantitative cocoon/raw silk production by evolution of more productive and stress tolerant breeds any hybrids of mulberry and non-mulberry varieties of food plant and silkworm, adoption of integrated eco-friendly approach for pest and disease management, upgradation of reeling and processing technologies in silk;

(ii) Seed Support & Technical Assistance by the Central Silk Board to State Governments, farmers & reelers by maintenance of parent races and basic seed, supply of commercial seed support and augmentation of grainage facilities for production of disease free high yielding and drought resistant seeds;

(iii) Central assistance to States through Centrally Sponsored and Central sector schemes to strengthen farm infrastructure, increase area